

EU biogas and biomethane inventory of regulatory framework



Number of legislative act with a link			EnergieStG: Energiesteuergesetz (Energy Tax Act)
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Date of Publication			
Date of implementation			2006/2009
Purpose			The Energy Tax act replaces the mineral oil tax act and regulates the taxation of energy products and electricity. Amendments were published in 2009. The § 3 of the EnergieStG determines the criteria for privileged power generating, (including CHPs), which receive a tax reduction.
Relevance to the biomethane sector			The use of biogas in combined heat and power plants (CHPs) is exempted from tax, as well as using it for solely for heat production. However, as soon as the biogas/ biomethane is mixed with other energy carriers, like biomethane that is fed into the gas grid, it is not tax-exempt. All biogas or CHP-plant operators need to be registered at the German Main Custom Office to be considered for privileged treatment of tax exemption. In the context of the EnergieStG there is not differentiation between biomethane and biogas. The tax arises at withdrawal from the natural gas grid (§ 38 EnergieStG) and needs to be paid monthly. The tax payer is usually the supplier of biomethane. An authorisation is needed for the supply of biomethane, which can be received from the Main Custom office. The tax amounts to 5,50 €/MWh, when the biomethane is produced in privileged plants or when used solely for heating purposes. When the biomethane is used as transport fuel the reduced rate of tax until 31 Dec. 2015 is 13,90 €/MWh. Further possibilities for tax reduction for biomethane are envisaged. In that respect, however, it needs to be differentiated between using biomethane in CHP plant, as a transport fuel or for heating.
Relation to EU legislation			The "Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity" establishes general arrangements for the taxation of energy products and electricity. The EU system of minimum rates, which for a long time was confined to mineral oils, is extended to coal, natural gas and electricity. This system sets the minimum rates of taxation applicable to energy products when used as motor or heating fuels and to electricity. In line with the EU's objectives and the Kyoto Protocol, it encourages more efficient use of energy so as to reduce dependence on imported energy products and limit greenhouse gas emissions. Also in the interests of protecting the environment, it authorises EU countries to grant tax advantages to businesses that take specific measures to reduce their emissions. (http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV:l27019#AMENDINGACT)
Scope			The Energy Tax act replaces the mineral oil tax act and regulates the taxation of energy products and electricity from certain sources, e.g. biogas. The use of biogas in combined heat and power plants (CHPs) is exempted from tax, as well as if used solely for heat production. However, as soon as the biogas/ biomethane is mixed with other energy carriers, like biomethane that is fed into the gas grid, it is not tax-exempt any more.
Specification of a legislative act	Targets		
	Support Systems for Biogas	Subsidies	No
		Feed in Tarrifs	No
		Premiums	No
		Tax exemption	The use of biogas in CHPs or for heat production is tax-exempt. See also: http://www.biogas.org/edcom/webfvb.nsf/id/DE_Die-Nutzung-von-Biogas-und-Biomethan-im-Kontext-des-Energiesteuergesetz-EnergieStG/\$file/14-02-12_Infoblatt-Energiesteuergesetz_fs.pdf
	Support Systems for Biomethane	Subsidies	No
		Feed in Tarrifs	No
		Premiums	No
		Tax exemption	The use of biomethane in CHPs is tax-exempt if plants are highly efficient; till the end of 2015, biomethane as biofuel is completely tax-exempt; for biomethane for heat production no tax exemption is given. See also: http://www.biogas.org/edcom/webfvb.nsf/id/DE_Die-Nutzung-von-Biogas-und-Biomethan-im-Kontext-des-Energiesteuergesetz-EnergieStG/\$file/14-02-12_Infoblatt-Energiesteuergesetz_fs.pdf
	Sustainability		Yes
	Non-discriminatory access to the grid		No
	Mass-balance		Yes
Transport		Yes	
Emissions		No	
Biowaste		No	
Digestate		No	